

Tell me about the Neighbourhood.....

# Auckland Central

Auckland - *the city of Sails*. Auckland is the largest city in New Zealand with a population of 1.37 million, and growing twice as fast as the national average. Auckland has a spectacular harbour and breathtaking beaches (25 in all). Other notable features include its Sky Tower, Harbour Bridge, and the ritzy North Shore. Land constraints in the form of water either side of the Central Business District provide a vibrant inner city and very strong population inflows.

It is widely thought that inner-city Auckland is 10 – 15 years behind Sydney in terms of lifestyle development. Therefore, Auckland property has huge potential, especially in and around the harbour basin.

Forecasts for Auckland include very strong population growth and doubling of the city's population by the 2050's, enormous growth for an international city. According to Statistics New Zealand (Feb 2010) the population of Auckland city will exceed 2 million by 2031. With this influx of people comes high demand for residential property which will only continue to grow as this population soars. A shrinking supply of land available for development in central Auckland is also expected to drive demand, and therefore property prices, upwards.



## Central Auckland

Auckland's central business district is situated on the southern shore of Waitemata Harbour.

The number of people who live in the CBD has increased significantly in recent years. Indeed, this move to inner city apartment living is one of the most important recent changes in settlement patterns in Auckland. The concentrated apartment development in inner city Auckland and the creation of an inner city living option has significantly changed the face of the central City.



Auckland's CBD has developed from being a place of predominantly business and entertainment to an increasingly vibrant community made up of a mix of apartments, shops, restaurants, cafes, and businesses all within close proximity of each other.

According to the Auckland City Council (Nov 2009); the residential population of the CBD has grown exponentially over the last 10 years. In 2001 the

residents of the CBD numbered 8,977. By 2006 this has increased to 17,937 urban dwellers. This rate of growth (expected to be even higher in the 2011 Census) is one of the fastest in the Auckland Region.

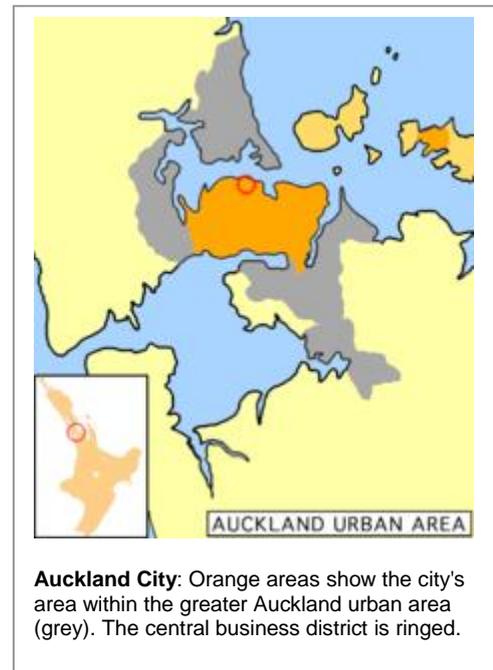
As previously mentioned, the demand for inner-city living is trending upward and recent council changes will contribute to further increases in demand. In recent times, the Auckland City Council has introduced substantially higher levies on new apartment developments in Central Auckland. This in turn has seen the number of new developments in Central Auckland plummet. These changes provide a new window of opportunity for investors because with an increasing shortage of supply of new property, values are set to increase.

A staggering number of people commute into the CBD each business day and this number is ever increasing. In order to alleviate the traffic congestion in and around Auckland Central over NZ\$2 billion of investment is planned for the Auckland suburban rail network, including an underground rail loop of Auckland City.

## Greater Auckland

As New Zealand's largest city, Auckland has a growth rate twice as fast as the national average. Auckland's blend of harbour, islands and modern city environment has created a lifestyle ranked amongst the best in the world. Recently Auckland has shone through a worldwide survey. It was ranked as 4<sup>th</sup> best city in the world in the "2010 Mercer World Quality of Life Survey".

Auckland may be a great place to live, however the property boom which peaked in 2007 has made it harder for the average family to own their own home. Recent reports have shown that New Zealand is following world wide trends of decreasing home ownership rates, with Auckland rates being significantly lower than the national average. Nationally, rates have declined from 73.8% in 1991 to 67.8% in 2001 and are expected to drop to 61.8% in 2016. For Auckland the figures are from 72.7% in 1991, ownership levels fell to 64.6% in 2001 and are expected to drop to 58.3% by 2016. These figures show there will be an ever increasing demand for rental properties which is good news for investors as this will maintain strong rental demand and yields.



Auckland is also a major international sporting venue and will be hosting the majority of games and the final of the Rugby World Cup in 2011. It's anticipated that 60,000 – 100,000 people will visit Auckland over the 6 week period placing extreme pressure on Auckland's accommodation capacity. It is expected there will be a shortage of accommodation and this presents an excellent opportunity to capitalise on this demand. A furnished, centrally located apartment will be a very lucrative proposition as they are already talking \$500NZD plus per night for accommodation bookings.

## Economy

As with any major city in the world, Auckland supports most of New Zealand's major industries and has shown steady economic growth in recent years. Auckland is uniquely placed to be one of the first cities in the world to see the start of every business day. It is a modern, business friendly city, with its own distinctive business and lifestyle opportunities. The central business district is the commercial centre of

New Zealand. Property, professional services, finance, insurance and education are the key industries supporting the rest of Auckland and New Zealand.

Most major international corporations have an Auckland office, as the city is seen as the economic capital of the nation. Every business day, many professional and other service workers commute from all points of the region to downtown Auckland, often enduring long commuting times; making Auckland City one of the highest earning cities in New Zealand.

## Property Market

The Auckland inner-city property market remains a positive sector to invest in. As New Zealand's commercial hub and most heavily populated region, property is in consistent demand. Returns on investment in Auckland central property are strengthened positive net migration and natural population growth, which is offset by a shortage in property supply. Auckland central is the New Zealand's most sought after property location which is great news for long term capital growth investment.

There have been changes to council levies for developers over the last 2 years and this has slowed construction in the CBD. This is expected to exacerbate the property supply shortage and this will create increased demand for the current 14,000 inner-city apartments in the Auckland CBD. Rents will rise, capital values will rise; and the winners will be existing apartment owners.

## Climate

Auckland has a warm-temperate climate, with warm, humid summers and mild, damp winters, and is the sunniest and warmest of New Zealand's main centres. The average daily maximum temperature is 23°C in January and February, and 13°C in July.

High levels of rainfall occur almost year-round (an average of 1249 mm per year), especially in winter. Climatic conditions vary in different parts of the city owing to geography such as hills, land cover and distance from the sea.

## Transport

Auckland is highly dependent on private vehicles as the main form of transportation, to a level unusual for a city of this size. Auckland has a well publicised transport problem, as the transportation network is not sustaining the increased traffic flows into the CBD. Over NZ\$2 billion of investment is planned for the Auckland suburban rail network, including an underground rail loop of Auckland City.

Aucklanders like to drive everywhere as the current public transport systems are far from adequate. From an investment perspective this is actually good news and creates demand from people who work in the city centre to live close by. There is a constant demand of professional tenants wanting to rent closer to the city to avoid traffic congestion.



Auckland has three main railway lines, serving the general western, southern, and central eastern directions from the Britomart Transport Centre in downtown Auckland.

The bus network services are mostly radial rather than ring-routes, due to Auckland being on an isthmus. Late-night services (i.e. past midnight) are limited.

Auckland Central Business District is connected to various outlying coastal suburbs, to North Shore City and to outlying islands by ferry.

## **Visitors Attractions**

From the busy streets and roads of downtown Auckland city, to the unspoilt forest of native trees and birds tucked away within the Waitakere Ranges, there are many exciting adventures for travellers and locals alike.

Bungy jumping off the Sky Tower is a must for the adventurer, along with the Harbour Bridge climb. Sailing on the harbour will inspire those nautically-minded and for the nature lovers there are numerous off-shore islands and national parks to explore.

## **Helpful links**

Please click on the below links for more information on Auckland

[www.aucklandnz.com](http://www.aucklandnz.com)

[www.hotcity.co.nz](http://www.hotcity.co.nz)

[www.nz.com](http://www.nz.com)

[www.aucklandcity.govt.nz](http://www.aucklandcity.govt.nz)